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(formerly known as "Credit Suisse, Cayman Islands Branch")

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

THE RHODES COMPANIES, LLC,
aka "Rhodes Homes," et al.,

Debtors.¹

Case No. 09-14814-LBR
(Jointly Administered)
Chapter 11

**DECLARATION OF KYLE ELLIOTT IN
SUPPORT OF REPLY OF CREDIT SUISSE
AG, CAYMAN ISLANDS BRANCH IN
SUPPORT OF MOTION TO COMPEL
REIMBURSEMENT OF FEES AND
EXPENSES PURSUANT TO
CONFIRMATION ORDER AND CASH
COLLATERAL ORDER**

Date: June 21, 2010
Time: 9:30 a.m.
Judge: Honorable Linda B. Riegler

¹ The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, a Nevada limited partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C&J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-

Affects:

- ☒ All Debtors
☐ The following Debtor(s)

**DECLARATION OF KYLE ELLIOTT IN SUPPORT OF REPLY OF CREDIT SUISSE
AG, CAYMAN ISLANDS BRANCH IN SUPPORT OF MOTION TO COMPEL
REIMBURSEMENT OF FEES AND EXPENSES PURSUANT TO CONFIRMATION
ORDER AND CASH COLLATERAL ORDER**

I, Kyle Elliott, declare as follows:

1. I am a Director in the Recovery Management International group of Credit Suisse Securities (USA) LLC, which is an authorized signatory of Credit Suisse AG, Cayman Islands Branch ("Credit Suisse"), formerly known as "Credit Suisse, Cayman Islands Branch." Credit Suisse is the agent under the first lien Credit Agreement Dated as of November 21, 2005, among Heritage Land Company, LLC, The Rhodes Companies, LLC, and Rhodes Ranch General Partnership, as the Borrowers, the Lenders Listed [Th]erein, as the Lenders, and Credit Suisse, Cayman Islands Branch, as Administrative Agent, Collateral Agent, Syndication Agent, Sole Bookrunner and Sole Lead Arranger (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "First Lien Credit Agreement").

2. I make this declaration in support of Credit Suisse's reply (the "Reply") in support of the Motion to Compel Reimbursement of Fees and Expenses Pursuant to Confirmation Order and Cash Collateral Order (the "Motion").² I have personal knowledge of the facts stated in this declaration and, if called to testify, could and would competently testify thereto.

3. By the Motion and the Reply, Credit Suisse seeks to direct the Reorganized Debtors to reimburse to Credit Suisse certain fees and expenses incurred by Credit Suisse's professionals (collectively, the "Fees," and the services underlying such Fees,

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14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, LLC (Case No. 09-14882); Tuscany Golf Country Club (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

² Capitalized terms not defined herein have the meanings ascribed to them in the Reply.

1 the "Services"). I am informed that certain, but not all, of the Fees covered by the
2 Motion were paid subsequent to the filing of the Motion.

3 4. In these cases, there was first-lien debt of approximately \$326 million (the
4 "First Lien Debt"), including a swap obligation held by an affiliate of Credit Suisse of
5 approximately \$20.2 million. Although the exact percentage varied from time to time
6 during these cases, the First Lien Steering Committee represented the holders of
7 approximately 75% of the First Lien Debt during most of the duration of the cases.

8 5. In addition to the First Lien Debt, there was second-lien debt (the "Second
9 Lien Debt") of approximately \$72.8 million, which was secured by the same collateral
10 securing the First Lien Debt. Given the value of the collateral, the Second Lien Debt was
11 "out of the money"—the value of the collateral was insufficient to satisfy the higher-
12 priority First Lien Debt, leaving no value available for distribution to the junior Second
13 Lien Debt from the real estate collateral securing the debt.

14 6. I have 10 years of experience on lender-agent deals of comparable and
15 greater magnitudes. I believe that the Fees and Services were reasonable and appropriate,
16 and consistent with Credit Suisse's fulfillment of its role as agent under the First Lien
17 Credit Agreement, particularly in light of the agent's duties to holders of debt under the
18 First Lien Credit Agreement who did not participate in the First Lien Steering Committee.
19 In such situations, it is important that the agent ensure that it is acting appropriately in
20 terms of information sharing and acting upon appropriate instructions under the First Lien
21 Credit Agreement at relevant times.

22 7. I have reviewed the Reply and believe that the Reply appropriately and
23 accurately describes the Fees and Services and the circumstances surrounding the Fees
24 and Services.

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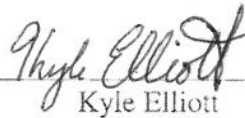
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2 I declare under penalty of perjury under the laws of the United States that the
3 foregoing is true and correct.
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5 Executed in New York, New York this 14th day of June, 2010.
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